



**MEETING NOTICE**  
**PJM Transmission Owners Agreement**  
**Administrative Committee (TOA-AC) Meeting**

**Thursday July 9, 2009**  
**9:30 AM – 3:00 PM Eastern Time**  
**Pier V Hotel**  
**711 Eastern Avenue**  
**Baltimore, MD**

**Conference Call Info: Raj Rana, Leader**  
**Dial In Number: 1-866-469-3239**  
**Pass Code: 18274311**  
**WebEx link: <https://pjm.webex.com>**  
**WebEx Pass Code: toaac0709pjm**

<b>Name</b>	<b>Representing</b>	<b>Attending</b>	<b>On Phone</b>
Rana, Raj	AEP	x	
Rowtham-Kennedy, Monique		x	
Kaminski, Vincent	Allegheny Electric Cooperative, Inc.		
Mattiuz, Bob	Allegheny Power/TrAILCo	x	
Palmer, Randall	Allegheny Power/TrAILCo		
Bourquin, Ralph	Baltimore Gas and Electric Company	x	
Shamash, Hertzal	Dayton Power & Light Company (The)	x	
Sullivan, Megan	Duquesne Light Company		x
Bustard, John	Exelon	x	
Richardson, Frank	Exelon		
Bainbridge, Thomas	FirstEnergy Solutions Corp.	x	
Miller, Donald	FirstEnergy Solutions Corp.	x	
Scarpignato, David	Old Dominion Electric Cooperative		
Messick, Tsion	PHI	x	
Glatz, Suzanne	PPL Electric Utilities Corporation d/b/a PPL Utilities	x	
Napoli, Paul	Public Service Electric & Gas Company	x	
Marinelli, Richard	Public Service Electric & Gas Company	x	
McGoldrick, Peter	Rockland Electric Company		x
Gill, Richard	UGI Utilities, Inc.	x	
McGuire, Bob	Virginia Electric & Power Company	x	
Connelly, David	Virginia Electric & Power Company	x	
Payne, Harold	Virginia Electric & Power Company	x	

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## Also attending

Name	Representing	Attending	On Phone
Rostock, John	Allegheny Power/TrAILCo		x
Phillips, Rod	Allegheny Power/TrAILCo		x
Kolbosky, Sherry	Allegheny Power/TrAILCo		
Miller, Bobbi	Allegheny Power/TrAILCo		
Gary Guy	Baltimore Gas and Electric Company	x	
Bloom, David	Baltimore Gas and Electric Company	x	
Harman, Stacey	Baltimore Gas and Electric Company	x	
Ren, William	Clarity Systems		
St. John, Christopher	Clarity Systems		
Alvarez, Marianne	Exelon		
Carlson, Julie	Exelon		
Grace, Sandy	Exelon		
Dworetzky, Jeanne	Exelon	x	
Walker, Jennifer	Exelon		
Stern, David	Exelon	x	
Marczewski, John	Linden		
Walsh, Daniel	Linden		
Blauman, Amy	PHI		x
Meyers, Mary	PHI		
Kormos, Mike	PJM Interconnection	x	
Bowe, Tom	PJM Interconnection		
Koza, Frank	PJM Interconnection	x	
HArgam, Michelle	PJM Interconnection	x	
Hendzrak, Chantal	PJM Interconnection		x
Herling, Steve	PJM Interconnection	x	
Foley, Pauline	PJM Interconnection	x	
Pincus, Steve	PJM Interconnection		
Kaplan, Donald	PPL Electric Utilities Corporation d/b/a PPL Utilities		
Calore, James	Public Service Electric & Gas Company		x
Linde, Tamara	Public Service Electric & Gas Company		x
Ramlatchan, Deepak	Rockland Electric Company		x
Miller, Rich	Rockland Electric Company	x	
Gill, Richard	UGI	x	
Bain, Daphne	Virginia Electric & Power Company		
Barnett, Andrew	Virginia Electric & Power Company		
Searles, David	Virginia Electric & Power Company		

## 1. Administrative Items

**A. Confirm quorum** - confirmed

- B. Approve Minutes of the March 31, 2009 and May 7, 2009 Meetings** - approved
- C. Weighted vote tabulation matrix calculator** – draft was sent to all participants revised per 2008 net plant numbers. Most have confirmed Raj asked for members to let him know if numbers need to be revised. No comments

## 2. Work Plan Updates

### A. Phasor Monitoring Unit Working Group -

#### i. Smart Grid Working Group (Napoli)

- a. Jim Calore gave brief update on current proposal. Important topic for next phase could be involvement with the NIST smart grid standards. NIST has a three phase plan...we are in the 1<sup>st</sup> phase which is to understand where we are with the current standards and then to develop a road map for interoperability standards. NIST is seeking comments on the roadmap. EPRI has held two workshops a third will be held in August and they plan to publish their version of the roadmap in mid September. NIST and EEI have noted a lack of participation by utilities in this process. Right now this is being driven by vendors so NIST and EEI would really appreciate increased utility involvement. NIST Interoperability standards comments are due July 9. There are 16 standards. Phase 1 next step expected in mid July are to: address comments and incorporate into the draft NIST Roadmap; conduct a third workshop on August 3-4, and publish a Roadmap in mid September to guide the next Phase 2. How can SGWG help? Develop consensus comments on the EPRI roadmap and get concerns to NIST. Schedule initial meeting or conference call to develop approach. Reaction from group? Paul Napoli says he thinks it would help to have a joint effort with PJM, maybe use existing group but also consider whether we need a new group. Others should think about it and talk to our Designated Officers to see if we should pursue it. Have comments back to Raj by next week. Raj thinks this is a good idea and thinks we should keep this group alive and use it as the need arises because Smart grid issues will be with us for a long time. Paul also suggests other TOs should participate in the committee. Jim Calore can provide leadership. John Bustard asked whether issues would be limited to Transmission Domain. Paul confirmed that this is true...this group's efforts are limited to transmission sector. Someone on the phone suggested that this information would be useful to other areas within our companies and we could spread what we learn here to other areas.

#### ii. Federal Stimulus Grants (Hendrzak)

Chantal Hendrzak provided an update on PJM Stimulus Grant activity. A Final Funding Announcement on Smart grid was released last week. There are 2 grants under the ARRA 1 related to demonstration projects and the other related to investments. Demonstration =longer term more experimental type of projects, 8-12 projects expected to be awarded longer

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term (5 years). Investment = shovel ready projects (limited to 3 years). PJM is exploring investment grant in the area of Synchrophasor technology. Essentially PJM is looking to do a mass deployment of phasor equipment 70 to 85 data units as quickly as we can. 11 TOs actively participating in discussions, weekly conference calls. Each TO is coming up with a list of each PMU they will install. Scope will include however many PMUs TOs want to install within the 3 year period. PJM has a Synchrophasor superdata concentrator through which PJM will collect information from each participating TO, storing it, cleaning it up and creating visualization displays. This is a commercially available product already. Group selected EPG to provide RTMS (real time dynamic management systems) PJM looking to install displays and provide some customizations. Displays would be pushed back to each TO and PJM is working on licensing agreements for the TOs. PJM is also going to push cleansed data back to TOs ( each TO would have their own data) would also provide PMU data from other TOs if they would like. Need to discuss data confidentiality and ensure that data is appropriately protected. Scope does not include TOs taking data and included in their state estimators. This can be done but is not included in the scope of this project. PJM's plan was met with a favorable response. Cost: range anywhere between 20 and 40 million before cost sharing. August 6 is the deadline for the application. Chantal thanked all TOs for high level of participation in this process. Ralph asked about MOU. What obligations will TOs/ PJM be picking up. MOU is not part of application that will be going to DOE. Two items will go to DOE. A high level letter of commitment and a letter of intent which talks about what the entity expects cost will be and also how costs will be shared. MOU is only meant to be internal to project team between PJM and the Project. It is not a legally binding document at this time. If grant application is successful, then would enter into a more formal contract. MOU is a high level description of roles and responsibilities as well as time frame. TOs were given a draft electronically yesterday. Comments are expected back and want a signed copy by July 24. Chantal to email copies of the MOU to LIT chair so lawyers can comment.

Paul Napoli asked about TO option to receive data from PJM...is option only to receive other TO data? Raj Rana asked about confidentiality issues and asked that she make sure she is working with LIT to address the issue. Chantal indicates that MOU contains confidentiality terms. Gary Guy stated that when TOs work on a joint project that the TOs should participate jointly rather than individually if they wish to file a FERC application for incentives (BGE/PHI order. Hertzler asked how PJM selected locations for PMUs. This effort started with each TO identifying where PMUs would be useful. PJM compiled a joint list and then worked with each TO to determine what makes the most sense to be done in 3 years. Hertzler asked whether there would be more. Chantal indicated that

some have included what they would need in 5 years. There are plans that other PMUs would be installed as work is being done in substations even after the project is done

### **B. Tariff Working Group (Marinelli)**

Rich Marinelli reported that the TWG currently has no assignments from the TOA-AC. He noted that FERC issued a deficiency letter on Cross Border cost allocation filing with MISO. Comments have been filed. PJM/MISO plan to file in response at the end of July

### **C. PJM Interconnection Process Alternatives Working Group (Bustard)**

John Bustard reported that this was an assignment from the designated Officers. It was agreed to work on a seminar for people working on interconnections. Seminar was held on May 18. John reported that it was very successful and well attended by TOs. With that meeting John believes that the group has done its work and will disband at this point.

### **D. Siting Public Education Working Group (Montieth)**

Raj reported that this group was established last year. It is chaired by Sherry Montieth from AEP. Sherry reported by listing team participants showing that there have been additions since group was originally formed. Group charge was to benchmark among companies area of transmission siting awareness and investigate possibilities for a PJM generic transmission siting public awareness campaign not tied to a specific project. Team activities have been comprised of conference calls and sharing of best practices. The group met with the Shelton Group consultant. Found that any type of public awareness campaign requires research to understand. Establishing baseline data would likely cost 200k and would take 6-8 mos. After that a campaign would likely cost several million dollars annually. Recommendation: Create section of TOA-AC website for sharing of best practices, including literature, advertising, public meeting strategies (password protected). TOA-AC needs to decide whether to proceed with research in preparation for development of a campaign. Paul Napoli commented that he thought the group did good work and thinks it is a good idea for group to share best practice however, he is not prepared at this time to agree to hire a consultant to prepare a campaign. He also is concerned that we should not be too heavy handed in one direction. Bob McGuire (Dominion) echoes Paul's comments. John Bustard (Exelon) also echoes sentiment, also not sure that this should not be more of a national effort done through EEI not through PJM. Ed Tatum (Old Dominion) also echoed comments...not sure what would be researched. All supported sharing of best practices but not proceeding with research with a consultant. Raj asked whether PJM could help TOA-AC to create section on TOA-AC website for posting of best practices as suggested by the working group. Steve Herling agreed to provide a contact person to work with the group. Raj states that he thinks he heard consensus not to proceed with research and campaign. Thanked Sherry and team members for their hard work.

## **3. Large Backbone Project Required In-Service Dates – (Mattiuz)**

Bob Mattiuz reported PJM annually conducts retool studies to verify the required in service date of RTEP projects. ISD are routinely changed as part of this project...there is nothing in

place to give TOs certainty that large projects ISD won't be delayed. Allegheny Power proposed to put together a subgroup to identify issues with changing ISD at various phases during the project and looking to see what milestones could be used to provide certainty around ISDs...recommend which types of projects are in scope and determined whether any changes would be required to the PJM Manual, OA, Tariff etc. Paul Napoli agreed with some of the concepts, however we need to be very careful as to not degrade the integrity of the RTEP process...the ability to retool adds integrity to the process because things do change. Not opposed to creating a working group to minimize volatility, however we need to maintain ability to change because things do change. Steve Herling believes it is a pretty delicate balancing act. In CPCNs there is a lot of pressure to rerun proposals...argument always is that we can retool, however there does need to be a stopping point. Trailco project is a good example...Not sure what choice is due to regulatory process. Ed Tatum asked about bright line reliability threshold...are we looking at things correctly. Concept of a plan is that a facility is required no later than X date to preserve reliability...if it comes in a year earlier...it does not distort anything. Steve Herling indicated that this is true but in PATH for example slipped to 2014 and this is consistent with reliability criteria...does not think he can go into a state like W Va and say ok well we absolutely need it for reliability in 2014 but for market efficiency reasons I would like it in 2013. John Bustard supported the recommendation to create a subgroup and agreed with Steve that it will not hold up in court that just PJM judgment is good enough reason...there needs to be a process laid out. Raj said there seems to be a consensus to form working group. Bob will lead and will work to get other TOs involved. Randy Palmer will also be involved at looking into legal issues. Raj asked members to send him names of individuals to participate by next Thursday. Committee should then develop a draft charter.

#### **4. Legal Issues Team (Rowtham - Kennedy)**

##### **A. Order No. 890 Regional planning compliance issue - due July 13 (Foley)**

Monique Rowtham-Kennedy reported that on May 21 2009 FERC issued an order requiring PJM to submit a compliance filing to provide the opportunity for stakeholders to review and comment on the criteria, assumptions and models used in local planning activities prior to finalization of the Local Plan and on the Local Plan prior to it being submitted to the Subregional RTEP Committee. PJM has requested a 60 day extension of time (to September 28) to submit the compliance so PJM can present its proposals to the Planning Committee, MRC and LIT. PJM circulated proposed changes to Schedule 6 to the LIT on July 2 and is planning to post the proposed language this week for consideration at the July 15 PC meeting. Pauline Foley will describe the proposed changes.

Pauline Foley reported that PJM had been granted the extension of time and described the proposed changes would include in Schedule 6 section 1.5.4 section (*see* attached language) and in section 1.3(d) and 1.3(f). David Connelly commented that the proposed language in 1.5.4(d) was unclear as to how confidentiality would be maintained when a TO provides information to PJM. He also stated that Section 1.5.4(d) also lacks privity between TOs and third parties to whom PJM provides the information. David Connelly thinks there needs to be more meat on the bones with respect to copyright, confidentiality and CEII issues...where in the appropriate PJM documents are these protections? Steve Herling thinks CEII is well covered. Confidentiality is more layered...believes that PJM

documents provide that if PJM is asked for confidential information it is required to notify member and give them an opportunity to challenge disclosure...this may need to be bolstered but basic process is there...biggest hole is what would constitute CEII? What is commercially sensitive? Would be helpful to get guidance from the lawyers as to what would stand up at FERC. Does not want PJM staff to determine what should go out to whom without clear procedures. David Connelly asked what happens if a member challenges the release of information to a third party. Pauline states that she believes this would involve a filing a FERC or at civil court...PJM can also provide composite information or TO can provide a written release. It is not specifically stated in the PJM documents how this would play out. We may want to provide for such process in the documents. This language will be presented to the Planning Committee on the 15<sup>th</sup>. Harold Payne expressed concern about misuse of information...Pauline suggested this perhaps could be handled through an NDA will look into it. Would help to understand what is confidential. John Bustard has comments but wants to know how to get comments back to Pauline. Suggests that LIT should convene a conference call to come up with composite comments to Pauline from the LIT. Monique agreed to convene a call prior to July 15 to put together draft comments. Ed Tatum cautioned not to wrap too many confidentiality restrictions into the process so as to defeat the purpose of the requirement. Sue Glatz asked how the proposed process will affect the timing for the subregional committees. Steve said it will affect the schedule and that we will need to make adjustments to accommodate it.

### **B. Confidential or CEII Treatment of Phasor data - comments on agreement (Eckenrod)**

Members of the LIT agreed that Phasor data should be considered TO data and should receive confidential or CEII treatment. LIT is in the process of reviewing the confidentiality agreement. PJM provided comments to NERC back in May but has not yet received comments. David Connelly asked for word version. Jean Dorestsky stated that the agreement itself is unclear as to what it covers

### **C. Linden VFT Rate Filing - Update (Eckenrod/Foley/Koza)**

Time that Linden will start injecting Energy has been postponed to August 17. Rob Eckenroth reported that Linden has not been added to the TOAAC list because of this delay. Also with regard to joint emergency operating protocol, it is under development and will be posted before Linden commences commercial operation

### **D. E-Tariff compliance status update (Mundell/Eckenrod).**

Ian Mundell provided update (see attached presentation). PJM has selected a vendor (Systrends) because they had good experience in Energy, active involvement in NAESB and provide various solutions. SISTrends was also selected by ISONE, NYISO, PJM and SPP. Next Steps: Ongoing design sessions, meeting on July 13-15 at NYISO also Meeting on August 11-13 at PJM; Technical questions for FERC, continue to liaison with CAISO and MISO. Rob Eckenrod set that in Order 714 that sets 6 month window for compliance filings commencing on April 2010. PJM is considering requesting an extension of time to allow for development.

## 5. PJM Transmission Owner NERC Reliability Standards Compliance

### A. Reliability matrix revision update (Koza)

Koza reported that PJM had a meeting with FERC Staff which staff felt that matrix was useful in clarifying relationships but also created more questions. Group is now proposing to slightly modify the matrix to recognize the fact that the matrix would now be shared with groups outside of PJM. Group is asking for TOA\_AC authorization to allow the working group to proceed with modification. Raj asked about time line. Koza indicated that he believes the changes would be slight. Ralph indicated concern that changes to matrix would add to TOs responsibilities. Koza explained that the intent was not to add to the TOs responsibilities. Paul Napoli asked if PSEG could add another member to the team (PSEG's compliance counsel). Tsion Messick asked for clarification of what modifications would do. Koza state that he understood the original assignment was to assign specific tasks to TOs and to PJM...some of these were dropped in the original draft but may be added back to clarify who does what . Group should continue with changes subject to approval of these changes at the next TOA-AC meeting. John Bustard is still confused about what changes will be made. Koza explained that proposed changes would be provided to the team.

### B. TO/TOP Registration Compliance Issues – follow up to the 6/8/09 Meeting (Koza)

Koza described meeting with FERC/NERC/RFC staff( see presentation). Regulatory participants seemed to conclude that registration is correct and acknowledgement that RTOs are different from each other; appears to be common understanding of roles and responsibilities; -----; report back in 60 days... (see presentation). Based on that meeting the team developed a response plan with a goal of eliminating doubt in the minds of the regulators and restore confidence. More clarity on the following issues needed: Voltage control; system restoration; protection of system information; and operator certification. Items in progress: review/ rewrite manuals and/or TO matrix; system restoration (see presentation)... Tsion Messick asked about refresher training session. Koza explained that TOs were excluded from June 8 meeting but would hopefully be included in the next meeting, which has not yet been scheduled. Ralph does not want so much focus on the NERC/FERC/RFC topics that work on revising manuals is further delayed.

## 6. Eastern Interconnect-Wide Planning Collaborative (EIPC)

### A. PJM Update (Kormos)

Mike Kormos provided a presentation which was given by Dave Whitely to the states reps. Dave Whitely is leading the effort; hope is that if PJM wins DOE bid his costs will be shared. Mike Kormos encouraged people to contact Dave directly if we have questions. Why are we doing this? Bills being considered on Hill scared PJM that Congress would take a top down approach to interconnection wide planning. PJM believes in a bottom up approach where policy decisions would be rolled into existing 890 plans. PJM did not want another planning entity coming in to complicate the overall planning process. Hertzell commented that this effort seems to be focused solely on transmission, is generation and

markets being discussed as part of the solution. Kormos states this group is neither focused on policy issues nor agenda regarding whether to build transmission or not. Group is just focused on Eastern Interconnecton transmission planning. PJM believes there will be a significant stakeholder process involved and significant role for states ( 1/3 of seats). Kormos described participation structure: Collaborative ( combination of stakeholder groups, e.g. TOs , Generators, individuals federal state and provincial reps, regional planning authorities) and the Analysis Group: ( created by formal agreement to perform studies; comprised of planning authority representatives; provides facilitation of overall process). Ed Tatum commented that this looks rational but believes that 890 would dictate a broader analysis group. Kormos state that he believed that PJM would serve as the Analysis Group. Tsion asked about the role of the Steering Committee. Kormos explained that this vision came out of the DOE FOA which came up with Steering Committee of industry participants 1/3 of which should be states. Stakeholders, states, provinces need to get together to decide how they will work together with the analysis group. Process would take regional plans roll them into a interconnection wide plan, then come up with process for running scenarios against base plan. To extent stakeholders want to change something it should happen through existing channels (local processes) not at EIPC level. Steering Committee would lead process on getting inputs into what scenarios should be run and communicate it to the analysis group. Analysis Group will not dictate but will have inputs to what is doable.

### **B. TO discussion – (Miller – Rockland Electric)**

Richard Miller stated that in light of the foregoing discussion he would be brief but presented a position paper indicating that TOs should not be considered as just another stakeholder...they should have representation on the executive committee. The fact that PJM recognizes that it needs to go through 890 processes underscores the point that TOs are not like other stakeholders since they actually incur the cost of building to the plan. Kormos indicated that there is a plan to have the open meeting and would welcome suggestions from the TOs to come up with a proposal.

### **7. PJM Liaison Committee update – Paul Napoli / Bainbridge**

Paul Napoli reported on Liaison Committee Meeting. Governance Working Group presentation was applauded as a group effort but some still thought that asset owners were not appropriately represented...Generator group expressed similar concerns, brought forth a minority position as well. The End Use sector is skeptical of the process. Strategic Plan: TOs commented on strength weakness opportunities and threats; Generators agreed with key uncertainty issues. Board is seeking comments on Strategic Plan by July 17...

Tom Bainbridge reported on Demand Response issue: punch line is already out there since Terry Boston issued his June 26 letter which indicates PJM will take a two fold approach . EIPC transmission planning issue: two goals to commend PJM for its leadership effort but pointed out that TOs would like to be involved in it.

### **8. PJM RTEP Update (Herling)**

Steve Herling provided status report on interconnection queue and where we are with the RTEP work. Interconnection queue, PJM made a push through June to get through backlog work...as of July 1st had cleared over 81% of outstanding backlog...34 studies still backlogged from Jan. 1. 54 more studies have become backlogged since Jan. 1st (started with 183 studies backlogged). Average age of new backlog items is 74 days. Last two queues closed pretty light. V1 queues closed with 24 projects, V2 queues close with \_\_\_ projects. Impact studies are now up to 45% on time which, while still low are an improvement from last year. Steve expressed his appreciation for work of TOs in getting through the backlog.

RTEP: PJM is still working on everything from 2010-2014 but still cleaning up 2010-2013. 2014 is largely done should start to wrap that up soon. One of the bigger challenges for some of the years is development of construction schedules because with so many projects being delayed they can be built simultaneously. TOs should hold off on canceling equipment orders until PJM establishes construction schedules. Paul Napoli asked whether current economic downturn is contributing to clean up of queue backlog. Steve said that it is helping to a degree, but they are also building in processes to ensure that backlog in future will be minimized.

### 9. Other Business Future Meetings

**No other business items were raised**

- *August 27, 2009 – Baltimore (Pier V)*
- *October 15, 2009 – Baltimore (Pier V)*
- *December 3, 2009 – Baltimore (Pier V)*